

Crystal Ridge HOA Board Meeting

Tuesday, November 6, 2018

Email: board@crystalridgehoa.org

Website: www.crystalridgehoa.org

Board Members Attending:

Mark Crawford, Fred Herber, Peggy Kloes, Patti Lundell, Emory Gearhart;
Chong Lam

Committee Members Attending:

Fred Herber, ACC
Peggy Kloes, R&R

Vista Representative: Jenny Ross

Homeowners Attending:

Jim Rubert, Marcus Rawley, Chris Richardson, Jim and Lai Chiang, Kevin Miller, Janice Pilcher, Claudia Briseno, Jeff and Laurie Brandon, Tim Stidhams, Deanna and Michael Christensen, Scott and Kim Sager

**PLEASE NOTE: MEETING DAYS CHANGED TO
WEDNESDAY
BEGINNING JANUARY, 2019**

All meetings are scheduled from 7:00 - 9:00 PM

Board meetings are held in the Puyallup Library Board Room unless otherwise noted. (Library Board Room seating is limited to 16 occupants per the Fire Code.) A larger room is scheduled when available.

December 4, 2018 (Tues.) - Board Meeting
January 23, 2019 (Wed.) - Annual HOA Meeting, North Meeting Room
February 6, 2019 (Wed.) - Board Meeting, North Meeting Room
March 6, 2019 (Wed.) - Board Meeting, North Meeting Room
April 3, 2019 (Wed.) - Board Meeting, North Meeting Room

Proceedings:

1. Minutes - October 2, 2018, Board minutes were approved via email on October 22, 2018. **Approved 4 Yes; 0 No**

2. Vista Report: Compliance continues to improve since last year. There were only 7 new violations last month (i.e., trailers parked in the street and trash bins left out). **Please note:** Trash bins should be removed from the street and placed out of view of the right-of-way no later than Saturday of each week.

3. Play Lot: Emory reported that grass was installed. Landscaping, ADA ramp, and concrete pad for the bench will be installed in 2019.

A question was raised regarding the By-laws \$10,000 cap on capital spending on improvements. The play lot was a replacement of existing common area asset not an addition. Article VII, Section 2:

(n) Improve the Common Areas and Common Maintenance Areas with capital improvements to such Common Areas and Common Maintenance Areas; provided that for those capital improvements exceeding \$10,000, the addition of such capital improvements to the Common Areas and Common Maintenance Areas must be approved by two-thirds (2/3) of the Members of the Association who are voting in person or by proxy at a meeting duly called for this purpose;

Funds were allocated for the play lot replacement in the 2017 and 2018 budgets. The budgets were approved by homeowners at the respective annual meetings.

A homeowner asked about the maintenance of the play lot and play structure. Maintenance each year is an operating expense. Approximately \$2,500 per year was budgeted for maintenance of the old play structure until the 2016 Reserve Study stated that it had passed its useful life.

Note: Puyallup development rules currently require that planned developments have play areas for children. Developments the size of Crystal Ridge being developed today are required to have 3 play areas. No additional play lots will be installed in Crystal Ridge.

4. Treasurer's Report:

The forecast below is the projected cost to complete from October 31, through the end of 2018. Income is over budget largely because of legal collections, but is offset by legal expense. Collection of 2018 assessments is \$12,497 below budget. The Board expects to collect all past due assessments. On occasion the Board has had to revert to legal means of collection. Fines and fees are \$7,618 above budget.

CRYSTAL RIDGE HOA October 31, 2018				Budget	Pjtd 2018	Projected Variance	Cost to Complete
COST TO COMPLETE							
Income							
	2018 Assessments			\$ 169,133	\$ 156,636	\$ (12,497)	
	Fines, Interest and Late Fees			\$ -	\$ 7,618	\$ 7,618	
	Legal Fee Reimbursement			\$ -	\$ 12,790	\$ 12,790	
	Total Income **			\$ 169,133	\$ 177,044	\$ 7,911	\$ -
Expenses							
Administrative Expenses							
	Management Company Fee			\$ 24,000	\$ 23,400	\$ 600	\$ 3,900
	Collection/Legal Fees/Bad Debt Exp/Corp Legal			\$ 13,000	\$ 19,893	\$ (6,893)	\$ 3,000
	Postage, Supplies, Web, Advert & Misc			\$ 2,600	\$ 1,264	\$ 1,336	\$ 1,336
	Total General and Administrative Expenses			\$ 39,600	\$ 44,557	\$ (4,957)	\$ 8,236
Landscaping							
	Basic Contract			\$ 66,500	\$ 66,500	\$ 0	\$ 11,000
	Irrigation Repair			\$ 0	\$ 10,200	\$ (10,200)	\$ 10,200
	Irrigation and Electricity			\$ 11,250	\$ 11,250	\$ 0	\$ 1,419
	Total Expenses			\$ 117,350	\$ 132,507	\$ (15,157)	\$ 30,855
	Net income (Loss) for the Year			\$ 51,783	\$ 44,537	\$ (7,246)	
CASH BALANCE ESTIMATE							
	Cash Balance 10-31-18		\$ 103,669				
	Less: Prepaid 2019 Assessments		\$ 3,534				
	Less: Budget Nov 1 to Dec 31		\$ (30,855)				
	Cash Net of Operating Expenses		\$ 76,348				
	Less: Play Lot Cost to Complete		\$ (23,100)				
	Projected Cash at Dec 2018		\$ 53,248				
	Less: Operating Reserves		\$ (10,000)				
	Less: Capital Reserves (20% of Assessments)		\$ (33,827)				
	Net Reserves Over (Under)		\$ 9,421				
** Note: Total Accounts Receivable: \$20,732 including \$12,497 in unpaid 2018 assessments							

5. New Reserve Study:

The state of Washington requires a Reserve Study for Homeowner and Condo Associations to determine the useful life of capital outlay and requires money be set aside each year for future projects. For example, the play lot refurbishment is considered new in a new Reserve Study and its useful life is approximately 20 years. We are required to save 1/20th of the cost of replacement each year. The life expectancy of all items (e.g. play lot, fencing, monuments, etc.) in a Reserve Study are considered in the same manner and we are required to set aside a portion of the cost to replace each year. The reserve study will state the required funding

for all HOA assets replacement. We expect that the HOA is currently underfunded.

A new Reserve Study will be scheduled depending on the timing of the replacement of the fence separating the Classics and the Estates. The Board expects the useful life of the fence to be at least another 20 years reducing the dollar amount required to be set aside each year. Reserve funds will similarly be set aside for the future replacement of the fence in 20 yrs.

The irrigation system should also be included in a new study; it was not included in the last study.

6. Landscape:

- Olympic Landscape repaired the irrigation system and agreed to a \$4,000 discount on their \$13,500 charge to \$9,500.
- JAC and Olympic have been asked to replace the trees in the Estates that died from lack of water due to problems with the irrigation system during the summer.
- We are receiving bids from Olympic and others for additional play lot grass, fertilizing, and irrigation.
- Specifications for landscaping bids include mowing, edging, chemical applications (fertilizer, moss control, weed control), irrigation maintenance (there are 32 stations and 7 meters), tree replacement, and leaf pickup. The HOA is currently accepting bids from landscaping contractors.

7. 2019 Capital Projects: The Board is considering the following projects for 2019. A final list will be presented at the annual meeting in January for approval by the homeowners.

- The Board will contact homeowners whose property abuts the approximately 1,000 feet of HOA fencing between the Estates and the Classics to form a committee to draw up specifications for the bid process. The estimated cost is about \$30 per foot = \$30,000.
- Tree replacement in 2019 is estimated at \$20,000. The City of Puyallup changed the requirements since trees were originally planted in this neighborhood. Root guards to prevent the roots from undermining sidewalks are now required and only certain types of trees may be planted. We are seeking competitive bids.
- Repair/replace mailbox structures will be approximately \$16,000.
- Monument cleaning approximately \$5,000

- Irrigation system, 6 month repair bid, approximately \$4,200 (OPERATING EXPENSE)
- Monument lighting approximately \$5,000

8. Rules and Regulations: The original R&Rs were first passed in 2016 and must be reviewed and reauthorized each year. It was proposed that the frequency of compliance drives be changed from every 2 weeks to every 3 weeks due to frequent overlap of notices in the mail. The compliance period for homeowners to correct infractions will remain at 2 weeks (14 days) from the date the violation notice is received and the appeal period will remain at 10 days from the date the violation notice is received. The appeal period is for those who cannot comply within the 14 day compliance period and need an extension. They must notify the Board within 10 days.

Board members will be sent a draft of the R&Rs with proposed changes and voting will be at the December meeting.

9. New Business: A question was asked about getting an additional street light on a cul-de-sac. Street lights are the responsibility of the City, not the HOA, and the City installs them only at intersections.

Mark moved to adjourn; Patti seconded.

Meeting adjourned at 8:45 PM